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The National Child Benefit

**Building a Better Future
for Canadian Children**

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The National Child Benefit is an innovative and progressive new program that invests in the well-being of Canada's children. When it takes effect in July 1998, it will:

- improve benefits and services available to low-income families with children, and
- help low-income families leave social assistance behind and remain in the labour market by ensuring their children's needs will continue to be met.

The goal of the National Child Benefit is to give children a better start in life. It is an important step in making children everybody's priority so that we can tackle child poverty, help Canadians move into and stay in the labour market, and help to build a better future for children and for our society.



A Beginning

The early years of life are critical to a child's development. Compared to children from middle- and upper-income families, poor children are at greater risk of suffering from inadequate nutrition, mental and physical health problems, and poor school achievement, and of encountering difficulties with the law. Governments in Canada are addressing these problems through initiatives such as the National Child Benefit.

Governments currently provide \$7 billion in income support for families with children. The National Child Benefit will add to this. The Government of Canada will initially contribute an additional \$850 million per year through the Canada Child Tax Benefit. As fiscal circumstances improve, the investment in this initiative should grow further.

Provincial and territorial governments share a commitment to the success of the National Child Benefit. They have made, and will be making, complementary investments in services and benefits for low-income families with children.





The Federal Commitment: **the new Canada Child Tax Benefit**

In July 1998, the Government of Canada will introduce an enhanced Canada Child Tax Benefit that will give low-income families with a combined family income of up to \$20,921 an annual maximum amount of:

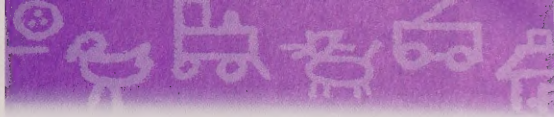
\$1,625 for the first child
(up to \$605 more)

\$1,425 for each additional child
(up to \$405 more)

Families with incomes between \$20,921 and \$25,921 will also receive higher benefits, and those with combined incomes above \$25,921 will continue to receive the same benefits they do today under the Child Tax Benefit.

For families currently receiving the monthly Child Tax Benefit, there is no need to apply separately to receive the new Canada Child Tax Benefit. Families who do not receive the existing Child Tax Benefit but think they qualify for benefits should contact Revenue Canada for an application form.

With the new Canada Child Tax Benefit, almost one and a half million families and their two and a half million children will receive higher federal benefits.



The Provincial/Territorial Commitment :

Improved Benefits & Services

As part of a National Reinvestment Framework, provincial and territorial governments are now designing programs that will reduce child poverty and help parents find and keep work.

Provinces and territories are considering one or more of the following reinvestments (where consistent with the overall objectives of the National Child Benefit):

- income support programs, earned income or child support supplements for low-income families with children
- benefits such as dental and drug plans
- tax assistance measures for low-income families
- improvement in overall child benefits to families receiving social assistance
- services – like child care – that assist parents in finding and keeping work
- other initiatives aimed at lessening child poverty such as child nutrition and teen parent programs

Provinces and territories will finance these improved benefits and services by reducing social assistance benefits to correspond with the increased benefits received by families through the Canada Child Tax Benefit. This approach will provide more benefits and services to low-income families with children while ensuring that total benefits available to social assistance families will not decrease.



Partnership between Governments

The National Child Benefit was set up by the Federal/Provincial/Territorial Ministers for Social Services and the Council on Social Policy Renewal.*

Federal, provincial and territorial governments are working together to develop a coordinated system to deliver the National Child Benefit. Over time, the goal is to streamline administration and simplify both the delivery and receipt of benefits. The National Child Benefit is a step forward in reducing overlap and duplication between governments.

The Prime Minister and Premiers have made tackling child poverty a collective priority. The National Child Benefit represents a strengthening of Canada's social union, with federal, provincial and territorial governments working together as partners to secure better lives for Canadian children.

* Quebec, while agreeing with the basic principles of the National Child Benefit, has not taken part in the development of the initiative because it wishes to assume control of income support for the children of Quebec. Consequently, any reference to joint federal-provincial-territorial positions in this pamphlet does not include Quebec.



Who to Contact For More Information

Contact Human Resources Development Canada or your provincial/territorial office responsible for income support/social services.



Reducing Barriers to Work

In many cases, parents earning low wages in the labour market may be financially worse off than parents who receive welfare. They may earn less than they would receive from social assistance; they may not have supplementary health or dental benefits; they have work-related expenses such as child care, clothing and transportation; and they have to pay income taxes, premiums and contributions. This means children of low-income families are often disadvantaged if their parents attempt to leave or stay off welfare by finding and keeping a job.

The National Child Benefit will help low-income parents who are already employed to stay employed, and will assist parents on social assistance in taking a job. Moreover, it assures parents who work to improve their families' circumstances that they will have more secure benefits and supports for their children.